

FISCAL NOTE
SB 2488 - HB 2415

February 7, 1998

SUMMARY OF BILL: Requires that prescriptions for Narrow Therapeutic Index Drugs may only be refilled using the same drug by the same manufacturer as originally dispensed unless permission of the original prescriber to substitute a generic equivalent is given. An NTI drug is defined as a pharmaceutical having a narrowly defined range between risk and benefit. The Board of Medical Examiners shall maintain a list of NTI drugs to be reviewed and amended by the Board of Pharmacy.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$1,000,000

Increase Local Govt. Expenditures* - Exceeds \$100,000

**Other Fiscal Impact - Increase Expenditures - Exceeds \$1,000,000/
Health Industry****

Assumes that the bill would prevent health care plans from substituting generic drugs, in most cases, if that particular drug is included on the list of NTI drugs, unless the original prescriber gives permission to substitute the generic equivalent. The fiscal impact of the bill depends on the number of drugs included on the list and the frequency of prescribing such drugs. The estimated fiscal impact assumes the number of drugs included as NTI drugs, the amount of such drugs prescribed and the cost differential between generic and nongeneric drugs will create a significant increase in expenditures to health care plans. Such increase is estimated to affect costs of state and local government health care plans and the TennCare program.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

**The impact on the health industry is included as required by Chapter 244 of the Public Acts of 1989.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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